

**DOCKET NO. 2010-77-C**

Application of Grasshopper Group, LLC  
for a Certificate of Public Convenience  
and Necessity to Provide Interexchange  
Telecommunications Services in the  
State of South Carolina and for  
Alternative Regulation of its  
Interexchange Offerings

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**DIRECT TESTIMONY OF DOMINIC SCHIAVONE**

1     **Q.     PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2     A.     My name is Dominic Schiavone. I am Chief Operating Officer of Grasshopper Group,  
3     LLC.

5 Q. PLEASE BRIEFLY DESCRIBE YOUR BACKGROUND, INCLUDING  
6 EDUCATIONAL AND BUSINESS EXPERIENCES.

7 A. I have a 17-year track record of helping businesses of all sizes scale their operational  
8 processes. Before joining Grasshopper, I was the Co-Founder and Managing Partner of  
9 Sagebridge Consulting, LLC, which develops web solutions for entrepreneurs and small  
10 businesses. I have also served as Vice President of Professional Services for Granitar  
11 Inc., a top-tier Internet consulting firm, where I provided technology solutions to Fortune  
12 1000 clients, including State Street Bank, Fidelity, Amtrak, New York Times Digital and  
13 Standard & Poors. I have also held leadership positions at firms such as Mitchell Madison  
14 Group, Siemens, Westinghouse and IBM. My experience combines technical and

1 operational expertise with a business-driven perspective. I hold a Bachelor of Science  
2 degree in Computer and Electrical Engineering from Clarkson University and an MBA  
3 from The Wharton School of the University of Pennsylvania.  
4

5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

6 A. No, I have not.  
7

8 **Q. ARE YOU FAMILIAR WITH THE APPLICATION FILED BY GRASSHOPPER?**

9 A. Yes. I assisted in the preparation of the Application.  
10

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to describe the technical, managerial and financial  
13 fitness of Grasshopper to provide resold interexchange telecommunications  
14 services within the State of South Carolina. This testimony will also describe the service  
15 to be provided by Grasshopper. Finally, my testimony will show that the public interest  
16 will be served by the approval of Grasshopper's Application.  
17

18 **Q. ARE ALL OF THE STATEMENTS IN GRASSHOPPER'S APPLICATION**  
19 **CORRECT AND TRUE TO THE BEST OF YOUR KNOWLEDGE,**  
20 **INFORMATION AND BELIEF?**

21 A. Yes; however, since Grasshopper filed its application, it has obtained authority to provide  
22 interexchange services in Maryland and has filed an application for such authority in  
23 Connecticut.

1 **Q. DO YOU WISH TO INCORPORATE BY REFERENCE ANY DOCUMENTS**  
2 **INTO THIS TESTIMONY?**

3 A. Yes. I wish to incorporate, by reference, Grasshopper's underlying Application  
4 filed in this proceeding and its associated exhibits.  
5

6 **Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS AND**  
7 **REPRESENTATIONS MADE IN THAT APPLICATION AND ALL EXHIBITS**  
8 **THERE TO?**

9 A. Yes.  
10

11 **Q. HAS APPLICANT REGISTERED TO DO BUSINESS IN SOUTH CAROLINA?**

12 A. Yes. Grasshopper received foreign corporation authority in South Carolina on October  
13 26, 2009. A copy was attached as Exhibit A to the Application.  
14

15 **Q. HAS ANYTHING OCCURRED SINCE GRASSHOPPER FILED ITS**  
16 **APPLICATION THAT MATERIALLY CHANGES THE REPRESENTATIONS**  
17 **THEREIN?**

18 A. No. Other than the changes noted earlier regarding the status of Grasshopper's  
19 applications for authority in Connecticut and Maryland, the representations made in the  
20 Application remain materially the same.  
21

22 **Q. DESCRIBE THE AUTHORITY THAT GRASSHOPPER SEEKS BY ITS**  
23 **APPLICATION.**

1 A. Grasshopper seeks authority to provide all forms of long distance telecommunications  
2 services to the public on a resale basis via the facilities of its underlying carriers.

3  
4 **Q. DOES GRASSHOPPER PROPOSE TO OFFER TELECOMMUNICATIONS**  
5 **SERVICES TO BOTH RESIDENTIAL AND BUSINESS/COMMERCIAL**  
6 **CUSTOMERS?**

7 A. Grasshopper markets its services primarily to business customers. The flexibility,  
8 scalability and functionality of Grasshopper's services provide the greatest advantages for  
9 business users. However, Grasshopper will serve residential customers if they request  
10 service.

11  
12 **Q. DO THE PRINCIPALS AND EMPLOYEES OF GRASSHOPPER HAVE**  
13 **PREVIOUS TELECOMMUNICATIONS EXPERIENCE?**

14 A. Yes. As described in Exhibit D of the Application, the officers and senior management  
15 of Grasshopper have considerable previous telecommunications experience.

16  
17 **Q. PLEASE DESCRIBE GRASSHOPPER'S FINANCIAL QUALIFICATIONS TO**  
18 **PROVIDE TELECOMMUNICATIONS SERVICES IN SOUTH CAROLINA.**

19 A. As set forth in the financial statements found at Exhibit C to the Application,  
20 Grasshopper has access to sufficient capital to provide telecommunications services in  
21 South Carolina. This capital, along with future capital financed by expected revenues of  
22 Grasshopper, will be available to meet future capital needs of Grasshopper's South  
23 Carolina operations.

1 **Q. DOES GRASSHOPPER INTEND TO OFFER PREPAID DEBIT CARD**  
2 **SERVICES IN SOUTH CAROLINA?**

3 A. Not at this time. Grasshopper is aware of the Commission's \$5,000 bond or certificate of  
4 deposit requirement associated with prepaid debit card services, and will file such an  
5 instrument with the Commission should Grasshopper decide to offer these services in the  
6 future.

7  
8 **Q. HOW DOES APPLICANT BILL FOR ITS SERVICES?**

9 A. Grasshopper will bill customers directly. Grasshopper invoices customers on a monthly  
10 basis for recurring monthly charges for the specific plan purchased by the customer and  
11 minutes used above the plan allowance for the previous month. Grasshopper bills any  
12 applicable initiation fees and monthly recurring charges in advance of the month of  
13 usage. Usage charges are billed in arrears for the previous month. At the time a customer  
14 signs up for service via Grasshopper's website, Grasshopper obtains credit or debit card  
15 information from the customer and automatically bills the customer's credit/debit card  
16 each month for the invoiced charges.

17  
18 **Q. HOW ARE TROUBLE REPORTS AND CUSTOMER COMPLAINTS**  
19 **HANDLED?**

20 A. Grasshopper Customer Care representatives and 24-hour automated customer assistance  
21 allow customers to bring service, billing and repair questions or complaints to the  
22 Company's attention 24 hours a day, 7 days a week. Customers may access  
23 Customer Care toll-free at (800) 820-8210 to initiate service complaints or to receive

1 updates on reported problems or pending customer service complaints. Customers may  
2 also contact Customer Care 24 hours a day via the company's website,  
3 [www.grasshopper.com](http://www.grasshopper.com). Inquiries regarding service or billing may also be made in  
4 writing. Grasshopper has also implemented a multi-tiered complaint escalation  
5 procedure to ensure the rapid resolution of trouble reports and customer complaints.  
6

7 **Q. DOES GRASSHOPPER HAVE OFFICES IN SOUTH CAROLINA?**

8 A. No, Grasshopper does not intend to have offices in South Carolina at this time.  
9 Accordingly, Grasshopper requests, pursuant to Rule 103-610, that the Commission  
10 allow it to keep all applicable books and records at its offices in Massachusetts. In the  
11 event that the Commission or ORS should desire to inspect such books and records,  
12 Grasshopper will provide access expeditiously at its own expense.  
13

14 **Q. HOW WILL GRASSHOPPER MARKET ITS SERVICES?**

15 A. Grasshopper will market its services through its website and a direct sales team.  
16 Grasshopper will not engage in any telemarketing activities.  
17

18 **Q. HAS GRASSHOPPER OBTAINED AUTHORITY TO PROVIDE ITS SERVICES**  
19 **IN ANY OTHER STATES?**

20 A. Yes. Grasshopper is presently authorized to provide interexchange long distance  
21 telecommunications services in the states of Colorado, the District of Columbia, Florida,  
22 Georgia, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio,  
23 Pennsylvania, Texas, Utah, Virginia and Washington. Grasshopper also currently has

1 pending applications in the states of Arizona, California, Connecticut, Illinois, and  
2 Massachusetts.

3  
4 **Q. PLEASE DESCRIBE THE PROPOSED TARIFF FILED BY GRASSHOPPER.**

5 A. Grasshopper filed as Exhibit E to the Application its proposed long distance  
6 telecommunications service tariff. That tariff contains the applicable rules and  
7 regulations for the provision of such services. I believe that Grasshopper's tariffs will  
8 comport with all applicable Commission Rules and Orders, and Grasshopper agrees to  
9 make all changes suggested by the ORS that may be necessary to comply with applicable  
10 authority.

11  
12 **Q. WILL GRANTING GRASSHOPPER A CERTIFICATE SERVE THE PUBLIC**  
13 **INTEREST OF SOUTH CAROLINA CONSUMERS?**

14 A. Yes. A decision by the Commission to grant Grasshopper authority to provide  
15 interexchange telecommunications service is in the best interest. The public interest will  
16 be served by expanding the availability of competitive telecommunications services and  
17 enhanced telecommunications infrastructure in the State of South Carolina, thereby  
18 facilitating economic development. Authorizing Grasshopper to enter the  
19 telecommunications services market will increase the competitive choices available, and  
20 in turn create incentives for all carriers to lower prices, provide new and better quality  
21 services, and be more responsive to customer issues and demands.

1   **Q.   WHO IS KNOWLEDGEABLE ABOUT GRASSHOPPER’S OPERATIONS AND**  
2       **WILL SERVE AS THE COMMISSION’S/ORS’S REGULATORY AND**  
3       **CUSTOMER SERVICE CONTACT?**

4   A.   All ongoing compliance matters should be directed to my attention.

5

6   **Q.   WILL GRASSHOPPER COMPLY WITH ALL OF THE APPLICABLE RULES,**  
7       **REGULATIONS AND ORDERS OF THE COMMISSION?**

8   A.   Yes.

9

10   **Q.   DOES THIS COMPLETE YOUR TESTIMONY?**

11   A.   Yes.